

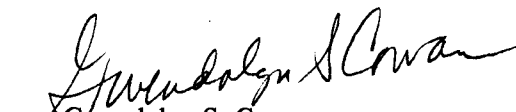
Headquarters Policy Flash

FLASH #99-08

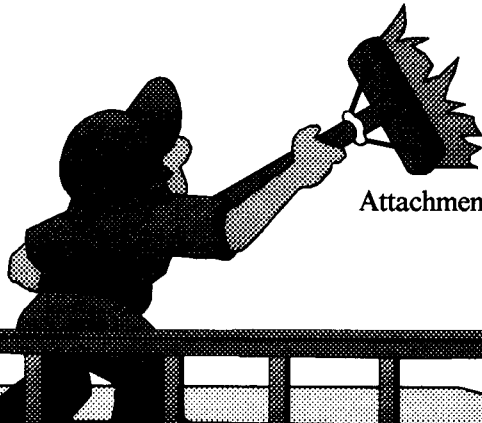
DATE: May 28, 1999
TO: Distribution
FROM: Office of Procurement and Assistance Policy (MA-51)
Office of Procurement and Assistance Management

SUBJECT: *ICF Kaiser, Sale of Consulting Group & Environmental & Facilities Management Group*

SUMMARY: Please disseminate within your organization the attached Environmental Protection Agency Letter. EPA, in its role as the cognizant audit agency for ICF Kaiser, advises that ICF Kaiser is divesting itself of two of its segments; the Consulting Group, and the Environmental and Facilities Management Group. *Contact Ruth Nichols, EPA Divisional Inspector General at (703) 934-3219, or the EPA Contracting Officer, Linda Huff at (202) 564-4421, prior to awarding any new contracts or modifying existing contracts with any legal entity of ICF Kaiser.*



Gwendolyn S. Cowan
Director



Attachment (EPA letter)



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

OFFICE OF THE INSPECTOR GENERAL
WASHINGTON CONTRACTS DIVISION

401 M Street SW (2421)
Washington, D.C. 20460

May 4, 1999

U.S. Department of Energy
Office of Headquarters Procurement Service
ATTN: Leonard J. Pastore, IROC, HR-541
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Dear Mr. Pastore:

To fulfill our responsibilities as the cognizant audit agency for ICF Kaiser International, Inc. (ICF Kaiser), we must remain alert to any matters that may affect the prudent and efficient management of government procurement programs and maintain appropriate liaison with other Federal agencies that have contracts with ICF Kaiser. In this regard, we are advising you that the recent announcements by ICF Kaiser of the sale of its Consulting Group and the Environmental and Facilities Management Group (EFMG), two of its four major cost accounting segments, could have a significant effect on government contracts with ICF Kaiser. Therefore, we recommend you contact the procurement and contracting services of your respective Departments or Agencies, advising them to contact our office prior to entering into any new contracts or modifying current contracts with any legal entity of ICF Kaiser.

To date, ICF Kaiser has not kept us adequately informed about these organizational changes and the impact they might have on Federal Government contracts. The EFMG sale was expected to be completed by the end of April and the Consulting Group sale is expected to be completed by midyear 1999. We believe the sales will result in changes to cost accounting practices as defined in 48 CFR 9903.302. Furthermore, the sale of the segments may have an impact on the following ICF Kaiser systems: Accounting, EDP, Budget and Planning, Estimating, Billing, Purchasing, Compensation, Labor, Indirect and Other Direct Costs.

Please contact Ruth Nichols, Senior Team Leader, EPA-OIG, at (703) 934-3219 (E-mail address nichols.ruth@epamail.epa.gov) for further information.

Sincerely,

A handwritten signature in cursive script that reads "Gordon C. Milbourn III".

Gordon C. Milbourn III
Divisional Inspector General for Audit